

TIMOTHY H. BELLAS

Garment Oversight Board

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Pro Se Interested Party

UNITED STATES DISTRICT COURT

NORTHERN MARIANA ISLANDS

DOE I, et al., On Behalf of Themselves and All
Others Similarly Situated,

Plaintiffs,

vs.

THE GAP, INC., et al.,

Defendants.

DOE I, et al., On Behalf of Themselves and All
Others Similarly Situated,

Plaintiffs,

vs.

BRYLANE, L.P., et al.,

Defendants.

DOE I, et al., On Behalf of Themselves and All
Others Similarly Situated,

Plaintiffs,

Case No. CV-01-0031

CLASS ACTION

**DECLARATION OF
TIMOTHY H. BELLAS
IN SUPPORT OF GARMENT
OVERSIGHT BOARD
FINAL APPLICATION FOR
EXTENSION OF TERM**

vs.)	
)	
THE DRESS BARN, INC.)	
)	
Defendants.)	Date:
)	Time:
)	Judge: Munson

I, TIMOTHY H.BELLAS, declare the following in support of the Garment Oversight Board's (GOB) Application for Final Extension of Term:

1. I am the elected Chairman of the GOB, I am over the age of majority and I am competent to testify as to matters contained in this declaration if called upon to do so.
2. The Court by its Order entered on January 15, 2008, previously extended the term of the GOB until July 31, 2008.
3. In large part, the purpose of the extension was to allow the GOB the opportunity to implement the previously approved Plan for the distribution of the residual settlement funds (RSF) to the settlement class members (SCMs).
4. The GOB support staff consists of a part time secretary and a full time independent contractor as its Chinese interpreter. In response to the greatly increased workload for distribution of the Plan checks a second part time employee has been recently hired.
5. In preparation for the distribution I have ordered checks from an off island vendor which were laser printer compatible and consisted of three (3) checks per sheet. Therefore, when I ordered 6,000 pieces, it was anticipated that that would be 3 X 6,000 or 18,000 checks. However, when the checks arrived there were only 6,000 total checks not 6,000 sheets of checks.
6. The checks were delivered while I was off island on a business and vacation trip and additional checks were not re-ordered until my return.

7. In addition, during the last 45 days, as SCMs became aware that the mailing of the Plan checks was imminent, many of them appeared in the GOB office to verify the accuracy of their address on file with the GOB.

8. SCMs also come to the GOB office in order to exchange checks which were originally issued by Gilardi & Co. but have become stale dated because the checks first went to the SCM's home country and were thereafter forwarded back to Saipan.

9. The limited staff resources of the GOB were, therefore, insufficient for the preparation and mailing of the checks and to service the steady and daily stream of SCMs who came to the GOB office.

10. The total checks which the GOB originally intended to mail to the SCMs was 13,884. Thus, the amount of the distribution to each SCM was arrived at by dividing the total RSF of \$2,000,000 by the 13,884 SCMs. The GOB, however, determined that the appropriate amount to distribute to each SCM would be increased to \$145.00. Multiplying the 13,884 by \$145 results in a total of \$2,013,180.00 rather \$2 million. While the amount is slightly in excess of the \$2 million in available funds, this was done in an effort to distribute a maximum amount of funds to the SCMs and in reliance that there would be a residual amount that would result from some returned or non negotiated checks.

11. Upon beginning the process of preparing the checks, the GOB staff observed that many of the addresses for the SCMs were incomplete. In addition, there were notifications from recently closed garment factories that the checks should not be sent to the factory's mailing address in Saipan because the SCMs were already gone without a forwarding address. This resulted in a reduction of the list of eligible workers by a total of 1,500, leaving the new total

number of workers to receive a RSF distribution check at 12,384.

12. As of the date of this Application, 11,353 checks have already been sent out and the remaining 1,031 checks will be sent out by July 26, 2008.

13. The 11,353 checks sent out to SCMs represent a total of \$1,599,495.00 in RSF funds.

14. Given that the distribution Plan calls for a sixty (60) day waiting period to ensure that SCMs have adequate time to negotiate their checks, the GOB will be unable to determine prior to September 29th, 2008 the total number of checks that have been negotiated and the amount that remains in the trust of the GOB before that date.

15. Furthermore, SCMs continue to come in with various problems related to the distribution checks. As an example, recently two SCMs came to the GOB office claiming that their checks were burned in the recent garment factory fire on Saipan.

16. The GOB can not replace the checks unless it places a stop payment and lets a short period of time pass to ensure that the checks were not already negotiated.

17. The GOB has an account with Bank of Hawaii which is an investment account. Each statement shows not only the balance of the account but any increase or decrease in the funds. In the two most recent statements for the GOB investment account, the funds in excess of the \$2,000,000 that were withdrawn for the SCM distribution were increased from \$47,745.09 to \$86,242.13. (A copy of the most recent statement is attached hereto as Exhibits A)

18. Therefore, based on the average prior operating expenditures of the GOB, with the possible exception of utilities, it is projected that these funds will, in large part, be sufficient to fund the extension of the GOB term requested herein.

19. Any other shortfall can be funded from the residual funds which result from the return or non negotiation of the distribution checks.

20. Finally, there are two other matters still pending. (a) Counsel for Plaintiffs has recently advised me that the incentive payments to certain plaintiffs is now complete and they may have some additional funds to transfer to the GOB. (b) Both counsel for Plaintiffs and the undersigned are pursuing the return of funds which may result from the refund of taxes which were previously paid to the IRS and the CNMI Revenue & Tax Department for checks which were never cashed by the SCMs.

21. The undersigned has provided draft copies of these documents to several of the factory counsel who still show some interest and have occasionally appeared at the most recent hearings on this matter.

22. The undersigned has received responses from two of those attorneys, Richard W. Pierce, Esq. and Pamela Parker, Esq. that they have no opposition to this application for the extension of the GOB term to the date requested.

23. For all of these reasons, the extension of the GOB term until October 31, 2008 is necessary and hereby respectfully requested.

I declare under penalty of perjury under the laws of the CNMI that the foregoing statements are true and correct to the best of my knowledge and belief and that this declaration was executed on this 18th day of July, 2008.


Timothy H. Bellas, Declarant

EXHIBIT A

**ACCOUNT SUMMARY STATEMENT**

MAY 01, 2008 TO MAY 31, 2008

ACCOUNT NAME: GARMENT OVERSIGHT BOARD, LTD.

ACCOUNT NUMBER: [REDACTED] 304

GARMENT OVERSIGHT BOARD
ATTN: TIMOTHY HARALAMBOS BELLAS
P O BOX 505943
BANK OF HAWAII BLDG SUITE 203
SAIPAN
MP, 96950

ACCOUNT NAME: GARMENT OVERSIGHT BOARD, LTD.
ACCOUNT NUMBER: [REDACTED] 304
ADMINISTRATIVE OFFICER: MR. KAMANI KUALAAU
808-694-4943
kamani.kualau@boh.com

FOR YOUR INFORMATION**ACCOUNT SUMMARY**

	CURRENT PERIOD	
	CASH	INVESTMENTS
BEGINNING BALANCE	0.00	2,047,795.09
RECEIPTS		
DIVIDENDS	4,375.31	0.00
TOTAL RECEIPTS	4,375.31	0.00
DISBURSEMENTS		
TRUSTEE FEES	50.00	0.00
BENEFICIARY DISTR	2,000,000.00	0.00
TOTAL DISBURSEMENTS	2,000,050.00	0.00
SALES		
SECURITY SALES	1,900,000.00	1,865,878.27
TOTAL SALES	1,900,000.00	1,865,878.27
NET CASH MANAGEMENT	95,674.69	95,674.69
ENDING BALANCE	0.00	86,242.13

ACCOUNT ACTIVITY

DATE	QUANTITY	DESCRIPTION	CASH	INVESTMENTS
05/01/08		BEGINNING BALANCE	0.00	2,047,795.09

EXHIBIT B

**ACCOUNT SUMMARY STATEMENT**

JUNE 01, 2008 TO JUNE 30, 2008

ACCOUNT NAME: GARMENT OVERSIGHT BOARD, LTD.

ACCOUNT NUMBER: [REDACTED] 304

GARMENT OVERSIGHT BOARD
ATTN: TIMOTHY HARALAMBOS BELLAS
P O BOX 505943
BANK OF HAWAII BLDG SUITE 203
SAIPAN
MP, 96950

ACCOUNT NAME: GARMENT OVERSIGHT BOARD, LTD.

ACCOUNT NUMBER: [REDACTED] 304

ADMINISTRATIVE
OFFICER: MR. KAMANI KUALAAU
808-694-4943
kamanf.kualaaui@boh.com

FOR YOUR INFORMATION**ACCOUNT SUMMARY**

	CURRENT PERIOD	
	CASH	INVESTMENTS
BEGINNING BALANCE	0.00	86,242.13
RECEIPTS		
DIVIDENDS	245.79	0.00
TOTAL RECEIPTS	245.79	0.00
DISBURSEMENTS		
TRUSTEE FEES	50.00	0.00
TOTAL DISBURSEMENTS	50.00	0.00
PURCHASES		
SECURITY BUYS	59,575.52	59,575.52
TOTAL PURCHASES	59,575.52	59,575.52
NET CASH MANAGEMENT	59,324.11	59,324.11
ENDING BALANCE	55.62	86,493.54

ACCOUNT ACTIVITY

DATE	QUANTITY	DESCRIPTION	CASH	INVESTMENTS
06/01/08		BEGINNING BALANCE	0.00	86,242.13